



**REPORT OF THE AUDITOR OF PUBLIC ACCOUNTS
AUDIT EXAMINATION OF THE
MARSHALL COUNTY FISCAL COURT**

Fiscal Year Ended June 30, 1999

**EDWARD B. HATCHETT, JR.
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Edward B. Hatchett, Jr. Auditor of Public Accounts

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable Mike Miller, Marshall County Judge/Executive
Members of the Marshall County Fiscal Court

Independent Auditor's Report

We have audited the accompanying statement of assets, liabilities, and fund balances arising from cash transactions of Marshall County, Kentucky, as of June 30, 1999, and the related statement of cash receipts, cash disbursements, and changes in cash balances for the year then ended. These financial statements are the responsibility of the Marshall County Fiscal Court. Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the Marshall County Refuse Disposal District. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for the Marshall County Refuse Disposal District, is based solely upon the report of the other auditors.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards issued by the Comptroller General of the United States, and the Audit Guide for Fiscal Court Audits issued by the Auditor of Public Accounts, Commonwealth of Kentucky. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Marshall County, Kentucky, prepares its financial statements on a prescribed basis of accounting that demonstrates compliance with the cash basis and laws of Kentucky. Consequently, certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with generally accepted accounting principles.

To the People of Kentucky
Honorable Paul E. Patton, Governor
John P. McCarty, Secretary
Finance and Administration Cabinet
Mike Haydon, Secretary, Revenue Cabinet
Honorable Mike Miller, County Judge/Executive
Members of the Marshall County Fiscal Court

In our opinion, based upon our audit and the report of other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, and fund balances arising from cash transactions of Marshall County, Kentucky, and the related statement of cash receipts, cash disbursements, and changes in cash balances as of June 30, 1999, in conformity with the cash basis of accounting described above.

Our audit was performed for the purpose of forming an opinion on the financial statements of Marshall County, Kentucky, taken as a whole. The information provided on the accompanying schedules is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly presented, in all material respects, in relation to the financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued our report dated January 10, 2000, on our consideration of Marshall County, Kentucky's compliance with certain provisions of laws, regulations, contracts, and grants, and internal control over financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a stylized flourish at the end.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
January 10, 2000

MARSHALL COUNTY OFFICIALS

June 30, 1999

Mike Miller	County Judge/Executive
Don Thomas	County Attorney
Dan Duke	County Clerk
Linda Fisk	Circuit Court Clerk
Terry Anderson	Sheriff
Roger Ford	Jailer
Ann Riley	Property Valuation Administrator
Tim York	County Treasurer
Jerry Bennett	Coroner
Jerome Hicks	Commissioner
Gordon Hargrove	Commissioner
Jerry G. English	Commissioner

STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

MARSHALL COUNTY
STATEMENT OF ASSETS, LIABILITIES,
AND FUND BALANCES ARISING FROM CASH TRANSACTIONS

June 30, 1999

Assets

General Fund:	
Cash	\$ 636,267
Road and Bridge Fund:	
Cash	144,242
Jail Fund:	
Cash	300,047
Jail Commissary Fund:	
Cash	72,398
Local Government Economic Assistance Fund:	
Cash	11,944
Community Development Block Grant Fund:	
Cash	5
Occupational Tax Fund:	
Cash	20,000
Investments	579,702
Occupational Tax Administrator Fund:	
Cash	25,000
Investments	2,207,879
Emergency 911 Fund:	
Cash	259,801
Public Properties Corporation Fund:	
Investments	167,548
Ambulance Fund:	
Cash	200
Payroll Fund:	
Cash	106,555
Total Assets	<u>\$ 4,531,588</u>

The accompanying notes are an integral part of the financial statements.

MARSHALL COUNTY
 STATEMENT OF ASSETS, LIABILITIES, AND FUND BALANCES
 ARISING FROM CASH TRANSACTIONS
 June 30, 1999
 (Continued)

Liabilities and Fund Balances

<u>Liabilities</u>	\$	0
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Fund Balances

Reserved:

Jail Commissary Fund	72,398
Community Development Block Grant Fund	5
Emergency 911 Fund	259,801
Ambulance Fund	200
Public Properties Corporation Fund	167,548
Payroll Fund	106,555

Unreserved:

General Fund	636,267
Road and Bridge Fund	144,242
Jail Fund	300,047
Local Government Economic Assistance Fund	11,944
Occupational Tax Fund	599,702
Occupational Tax Administrator Fund	<u>2,232,879</u>

Total Liabilities and Fund Balances	\$	<u><u>4,531,588</u></u>
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The accompanying notes are an integral part of the financial statements.

STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

MARSHALL COUNTY
STATEMENT OF CASH RECEIPTS,
CASH DISBURSEMENTS, AND CHANGES IN CASH BALANCES

Fiscal Year Ended June 30, 1999

<u>Cash Receipts</u>	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
Schedule of Operating Revenue	\$ 9,888,539	\$ 3,352,142	\$ 1,673,024	\$ 1,056,471
Transfers In	2,701,174	1,174		
Jail Commissary Fund Receipts	28,112			
Interest	10,603			
Total Cash Receipts	<u>\$ 12,628,428</u>	<u>\$ 3,353,316</u>	<u>\$ 1,673,024</u>	<u>\$ 1,056,471</u>
<u>Cash Disbursements</u>				
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 9,542,171	\$ 3,537,085	\$ 1,739,696	\$ 1,061,698
Schedule of Other Expenditures	47,594			
Transfers Out	2,701,174			
Jail Commissary Fund Expenditures	17,630			
Total Cash Disbursements	<u>\$ 12,308,569</u>	<u>\$ 3,537,085</u>	<u>\$ 1,739,696</u>	<u>\$ 1,061,698</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ 319,859	\$ (183,769)	\$ (66,672)	\$ (5,227)
Cash Balance - July 1, 1998*	<u>4,105,174</u>	<u>820,036</u>	<u>210,914</u>	<u>305,274</u>
Cash Balance - June 30, 1999*	<u>\$ 4,425,033</u>	<u>\$ 636,267</u>	<u>\$ 144,242</u>	<u>\$ 300,047</u>

* Cash Balances Includes Investments

MARSHALL COUNTY
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
Fiscal Year Ended June 30, 1999
(Continued)

Jail Commissary Fund	Local Government Economic Assistance Fund	Community Development Block Grant Fund	Occupational Tax Administrator Fund	Occupational Tax Fund	Emergency 911 Fund
\$	\$ 24,270	\$ 77,489	\$ 3,324,443	\$ 35,742 2,700,000	\$ 334,109
28,112					
\$ 28,112	\$ 24,270	\$ 77,489	\$ 3,324,443	\$ 2,735,742	\$ 334,109
\$	\$ 23,000	\$ 77,488	\$ 44,694 2,700,000	\$ 2,805,157	\$ 281,766
17,630					
\$ 17,630	\$ 23,000	\$ 77,488	\$ 2,744,694	\$ 2,805,157	\$ 281,766
\$ 10,482 61,916	\$ 1,270 10,674	\$ 1 4	\$ 579,749 1,653,130	\$ (69,415) 669,117	\$ 52,343 207,458
\$ 72,398	\$ 11,944	\$ 5	\$ 2,232,879	\$ 599,702	\$ 259,801

The accompanying notes are an integral part of the financial statements.

MARSHALL COUNTY
 STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
 CHANGES IN CASH BALANCES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Building Inspector Fund	Public Properties Corporation Fund	Ambulance Service Fund
<u>Cash Receipts</u>			
Schedule of Operating Revenue	\$ 10,849	\$	\$
Transfers In			
Jail Commissary Fund Receipts			
Interest		7,918	2,685
Total Cash Receipts	\$ 10,849	\$ 7,918	\$ 2,685
<u>Cash Disbursements</u>			
Comparative Schedule of Final Budget and Budgeted Expenditures	\$ 16,281	\$	\$
Schedule of Other Expenditures			2,900
Transfers Out	1,174		
Jail Commissary Fund Expenditures			
Total Cash Disbursements	\$ 17,455	\$ 0	\$ 2,900
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements	\$ (6,606)	\$ 7,918	\$ (215)
Cash Balance - July 1, 1998*	6,606	159,630	415
Cash Balance - June 30, 1999*	\$ 0	\$ 167,548	\$ 200

* Cash Balances Includes Investments

The accompanying notes are an integral part of the financial statements.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS

June 30, 1999

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements of Marshall County include the funds, agencies, boards, and entities for which the fiscal court is financially accountable. Financial accountability, as defined by Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, as amended by GASB 14, was determined on the basis of the government's ability to significantly influence operations, select the governing authority, participate in fiscal management and the scope of public service. Based upon the criteria stated in GASB 14, management has included the Ambulance Service Fund, Jail Commissary Fund, Occupational Tax Administrator Fund, Public Properties Corporation and the Marshall County Refuse Disposal District as part of the reporting entity.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. The government uses funds to report on its financial position and the results of its operations. A fund is a separate accounting entity with a self-balancing set of accounts.

C. Basis of Accounting

The financial statements were prepared on a cash basis of accounting pursuant to Kentucky Revised Statute (KRS) 68.210 as recommended by the State Local Finance Officer. Consequently, certain revenues and related assets are recognized when received rather than when earned and certain expenses are recognized when paid rather than when a liability is incurred. The cash basis accounting system does not require an entity to maintain a general fixed asset group or a general long-term debt group of accounts.

D. Legal Compliance - Budget

The Marshall County budget is adopted on a cash basis of accounting and laws of Kentucky as required by the State Local Finance Officer. The County Judge/Executive is required to submit estimated receipts and proposed expenditures to the fiscal court by May 1 of each year. The budget is prepared by fund, function, and activity and is required to be adopted by the fiscal court by July 1.

The fiscal court may change the original budget by transferring appropriations at the activity level; however, the fiscal court may not increase the total budget without approval by the State Local Finance Officer. Expenditures may not exceed budgeted appropriations at the activity level.

E. Cash and Investments

Cash includes amounts in bank accounts, and investments are stated at cost. Investments may include certificates of deposit on the financial statements; however, for the purpose of disclosing credit risk (Note 3), investments exclude certificates of deposit.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 1. (Continued)

E. Cash and Investments (Continued)

KRS 66.480 authorizes the county to invest in the following, including but not limited to, obligations of the United States and of its agencies and instrumentalities, obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States, obligations of any corporation of the United States government, bonds or certificates of indebtedness of this state, and certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation (FDIC) or which are collateralized, to the extent uninsured, by any obligation permitted by KRS 41.240(4).

Note 2. Employee Retirement System

The county has elected to participate in the County Employees Retirement System (CERS), pursuant to KRS 78.530 administered by the Board of Trustees of the Kentucky Retirement Systems. This is a multiple-employer public retirement system which covers all eligible full-time employees. Benefit contributions and provisions are established by statute. Nonhazardous covered employees are required to contribute 5 percent of their salary to the plan. The county's contribution rate for nonhazardous employees was 8.65 percent. Hazardous covered employees are required to contribute 7 percent of their salary to the plan. The county's contribution rate for hazardous employees was 18.21 percent.

Benefits fully vest on reaching five years of service for nonhazardous employees. Aspects of benefits for nonhazardous employees include retirement after 27 years of service or age 65. Aspects of benefits for hazardous employees include retirement after 20 years of service or age 55.

Historical trend information showing the CERS' progress in accumulating sufficient assets to pay benefits when due is present in the Kentucky Retirement Systems' annual financial report.

Note 3. Deposits

The county maintained deposits of public funds with depository institutions insured by the Federal Deposit Insurance Corporation (FDIC). According to KRS 66.480 (1)(d) and KRS 41.240(4), the depository institution should pledge or provide sufficient collateral which, together with FDIC insurance, equals or exceeds the amount of public funds on deposit at all times. In order to be valid against the FDIC in the event of failure or insolvency of the depository institution, this pledge or provision of collateral should be evidenced by an agreement between the county and the depository institution, signed by both parties, that is (a) in writing, (b) approved by the board of directors of the depository institution or its loan committee, which approval must be reflected in the minutes of the board or committee, and (c) an official record of the depository institution. These requirements were met, and as of June 30, 1999, the county's deposits were fully insured or collateralized at a 100% level with collateral of either pledged securities held by the county's agent in the county's name, or provided surety bond which named the county as beneficiary/obligee on the bond.

MARSHALL COUNTY
NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

Note 4. Insurance

For the fiscal year ended June 30, 1999, Marshall County was a member of the Kentucky Association of Counties' All Lines Insurance Fund (KALF). KALF is a self-insurance fund and was organized to obtain lower cost coverage for general liability, property damage, public officials' errors and omissions, public liability, and other damages. The basic nature of a self-insurance program is that of a collectively shared risk by its members. If losses incurred for covered claims exceed the resources contributed by the members, the members are responsible for payment of the excess losses.

Note 5. Subsequent Event

The County anticipates issuing \$8,000,000, 25-year bonds to finance the construction of the new Judicial Building. The Administration Office of the Courts will be responsible for 85-88% of the cost of the bonds. The County will be responsible for the balance of this cost if the bonds are issued.

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COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

MARSHALL COUNTY
COMPARATIVE SCHEDULE OF
BUDGETED TO ACTUAL OPERATING REVENUE

Fiscal Year Ended June 30, 1999

<u>Budgeted Funds</u>	<u>Budgeted Operating Revenue</u>	<u>Actual Operating Revenue</u>	<u>Over (Under) Budget</u>
General Fund	\$ 3,484,915	\$ 3,352,142	\$ (132,773)
Road and Bridge Fund	1,601,050	1,673,024	71,974
Jail Fund	1,009,435	1,056,471	47,036
Local Government Economic Assistance Fund	23,766	24,270	504
Community Development Block Grant	338,500	77,489	(261,011)
Occupational Tax Funds	2,730,000	3,324,443	594,443
Emergency 911 Fund	309,000	334,109	25,109
Building Inspector Fund	20,500	10,849	(9,651)
Totals	<u>\$ 9,517,166</u>	<u>\$ 9,852,797</u>	<u>\$ 335,631</u>
<u>Reconciliation</u>			
Total Budgeted Operating Revenue Above			\$ 9,517,166
Add: Budgeted Prior Year Surplus			<u>2,273,726</u>
Total Budget Per Comparative Schedule			
Of Final Budget and Budgeted Expenditures			<u>\$ 11,790,892</u>

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SCHEDULE OF OPERATING REVENUE

MARSHALL COUNTY
SCHEDULE OF OPERATING REVENUE

Fiscal Year Ended June 30, 1999

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Revenue From Local Taxes and Excess Fees</u>				
Sheriff:				
Taxes	\$ 820,027	\$ 820,027	\$	\$
Tangible Personal Property	200,910	200,910		
Excess Fees - 1998	19,005	19,005		
Franchise Tax	101,339	101,339		
County Clerk:				
Deed Transfer Tax	57,183	57,183		
Delinquent Taxes	32,355	32,355		
Excess Fees - 1998	234,619	234,619		
Tangible Personal Property Taxes:				
County Clerk	223,483	223,483		
Garbage Disposal License Fee	481,381	481,381		
In Lieu of Taxes:				
Tennessee Valley Authority	193,850	193,850		
Fish and Wildlife	6,630	6,630		
Electric Plant Board	2,640	2,640		
Bank Deposits Franchise Tax	102,917	102,917		
Occupational Taxes	3,288,701			
Totals	<u>\$ 5,765,040</u>	<u>\$ 2,476,339</u>	<u>\$ 0</u>	<u>\$ 0</u>
<u>Federal Receipts</u>				
Federal Disaster and Emergency Services/Emergency				
Management Grant	\$ 14,556	\$	\$ 14,556	\$
Department of Justice Grant	83,292	81,292		
Totals	<u>\$ 97,848</u>	<u>\$ 81,292</u>	<u>\$ 14,556</u>	<u>\$ 0</u>

Local Government Economic Assistance Fund	Community Development Block Grant Fund	Occupational Tax Fund	Emergency 911 Fund	Building Inspection Fund
\$	\$	\$	\$	\$
		3,288,701		
\$ 0	\$ 0	\$ 3,288,701	\$ 0	\$ 0
\$	\$	\$	\$	\$
	2,000			
\$ 0	\$ 2,000	\$ 0	\$ 0	\$ 0

MARSHALL COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Kentucky State Treasurer</u>				
Jail:				
Allotments	\$ 48,500	\$	\$	\$ 48,500
Medical Allotments	10,347			10,347
Driving Under The Influence Fees	14,985			14,985
Housing State Prisoners	684,442			684,442
Court Costs, Jail Operation	14,707			14,707
Jail Contract with Other Counties	29,738			29,738
Community Services	13,783			13,783
County Road Aid	1,409,950		1,409,950	
Truck License Distribution	161,449		161,449	
Courthouse Rental - Administrative				
Office of the Courts	64,963	64,963		
Election Expense	12,750	12,750		
Refunds:				
Drivers Licenses	3,401		3,401	
Dog Licenses	41	41		
Insurance Reimbursements	48,476	48,476		
Severance Taxes:				
Coal	23,638			
Mineral	246			
Board of Assessments	400	400		
Grants:				
Department of Local				
Economic Development	120,000	120,000		
Jail Construction Grant	161,219			161,219
Community Development				
Block Grant	75,489			
Disaster and Emergency Services				
Assistance Grant -				
Coordinator Salary	8,959	8,959		
Totals	\$ 2,907,483	\$ 255,589	\$ 1,574,800	\$ 977,721

Local Government Economic Assistance Fund	Community Development Block Grant Fund	Occupational Tax Fund	Emergency 911 Fund	Building Inspection Fund
\$	\$	\$	\$	\$
23,638 246	75,489	0	0	0

MARSHALL COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

	Totals (Memorandum Only)	General Fund	Road and Bridge Fund	Jail Fund
<u>Miscellaneous Revenue</u>				
Interest	\$ 116,118	\$ 36,038	\$ 20,896	\$ 13,081
Circuit Court Clerk:				
Work Release	25,397			25,397
Reimbursements:				
Exceptional School	328,349	328,349		
Road Maintenance	34,153		34,153	
Road Signs	984		984	
Hospital	86,160	86,160		
Licenses and Permits:				
Building Inspection	11,872	1,141		
Cable TV Franchise	63,242	63,242		
Donations				
911 Fees	318,649			
Telephone Commission	28,743			28,743
Surplus Machinery and Equipment Sales	10,376		10,376	
Insurance Proceeds	18,077	1,080	16,997	
Miscellaneous Items	40,306	22,912	262	11,529
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Totals	\$ 1,082,426	\$ 538,922	\$ 83,668	\$ 78,750
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Total Operating Revenue	\$ 9,852,797	\$ 3,352,142	\$ 1,673,024	\$ 1,056,471
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MARSHALL COUNTY
SCHEDULE OF OPERATING REVENUE
Fiscal Year Ended June 30, 1999
(Continued)

Local Government Economic Assistance Fund	Community Development Block Grant Fund	Occupational Tax Fund	Emergency 911 Fund	Building Inspection Fund
\$ 386	\$	\$ 35,742	\$ 9,857	\$ 118
				10,731
			318,649	
			5,603	
\$ 386	\$ 0	\$ 35,742	\$ 334,109	\$ 10,849
\$ 24,270	\$ 77,489	\$ 3,324,443	\$ 334,109	\$ 10,849

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COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

MARSHALL COUNTY
COMPARATIVE SCHEDULE OF
FINAL BUDGET AND BUDGETED EXPENDITURES

Fiscal Year Ended June 30, 1999

	Final <u>Budget</u>	Budgeted <u>Expenditures</u>	Under (Over) <u>Budget</u>
<u>GENERAL FUND</u>			
<u>General Government</u>			
Office of County Judge/Executive:			
Salaries-			
County Judge/Executive	\$ 55,343	\$ 55,308	\$ 35
Deputy County Judge/Executive	4,600	4,584	16
Secretaries	43,300	43,203	97
Other Salaries	15,000		15,000
Office Materials and Supplies	16,500	16,435	65
Equipment Repair	500		500
Telephone	2,800	2,753	47
Travel	7,000	6,741	259
New Office Equipment	4,000	3,017	983
Office of County Attorney:			
Salaries-			
County Attorney	27,538	27,508	30
Assistant County Attorney	16,250	16,245	5
Secretaries	79,000	78,508	492
Office Materials and Supplies	5,600	5,550	50
Telephone	1,550	1,515	35
Travel	1,000		1,000
Office of County Clerk:			
Tax Bill Preparation	3,000		3,000
Office Materials and Supplies	20,000	13,171	6,829
Equipment Repair	1,000	145	855
New Office Equipment	5,650	5,641	9
Telephone	4,000	3,075	925
Historic Preservation	1,000		1,000
Travel	150	141	9
Office of Sheriff:			
Deputies Salaries	216,500	216,514	(14)
Bond	1,200		1,200
Materials and Supplies	16,900	16,853	47
New Motor Vehicles	31,700	31,697	3
Telephone	10,000	4,367	5,633

MARSHALL COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Office of County Coroner:			
Salaries-			
County Coroner	\$ 8,307	\$ 8,259	\$ 48
Deputy Coroner	8,300	7,145	1,155
New Office Equipment	3,100	3,073	27
Office Materials and Supplies	5,750	5,749	1
Travel	5,550	5,535	15
Fiscal Court:			
Magistrates			
Salaries	75,475	75,443	32
Travel	4,350	4,338	12
Office of Property Valuation Administrator:			
Statutory Contribution	72,000	71,978	22
Office of Board of Assessment Appeals:			
Secretary to Board	400		400
Salaries	1,200	600	600
Office of County Treasurer:			
Salaries-			
County Treasurer	42,250	42,239	11
County Finance Officer	23,150	23,125	25
Bond	2,800	2,791	9
Office Materials and Supplies	4,950	4,902	48
New Office Equipment	4,000	2,831	1,169
Telephone	23,850	23,845	5
Travel	675	675	
County Law Library:			
Law Librarian Salary	1,200	1,200	
Elections:			
Per Diem-			
Election Commissioners	3,000	1,155	1,845
Election Officers	19,100	19,072	28

MARSHALL COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
Elections: (Continued)			
Polling Places	\$ 1,400	\$ 400	\$ 1,000
Election Ballot Instructions	30,100	30,056	44
New Office Equipment	1,000		1,000
Office Materials and Supplies	1,000	54	946
Planning and Zoning:			
Salaries	47,700	47,220	480
Office Materials and Supplies	500	347	153
Travel	3,350	3,338	12
Telephone	700	652	48
New Office Equipment	500		500
Economic Development:			
Salaries	41,700	41,666	34
Office Materials and Supplies	50	32	18
Action Incorporated	15,000	7,000	8,000
Tennessee - Tom Bidbey	5,000		5,000
Travel	3,450	3,426	24
Courthouse:			
Janitor Salary	110,100	110,061	39
Temporary/Part-Time Help	232,800	232,763	37
Maintenance To Buildings And Grounds	35,000	1,047	33,953
Building Maintenance Supplies	36,800	36,759	41
Custodial Supplies	10,000	7,150	2,850
Repairs	5,000	45	4,955
Utilities	40,550	40,510	40
New Equipment	2,000		2,000
Remodeling	21,200	21,159	41
Other County Properties:			
Hardin Senior Center	12,000		12,000
Utilities - Other County Buildings	25,000	19,321	5,679

MARSHALL COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>General Government</u> (Continued)			
County Detention Center:			
Utilities	\$ 8,225	\$	\$ 8,225
County Fire Department:			
Membership Fees	6,050	6,050	
Disaster and Emergency Services:			
Director Salary	20,550	20,518	32
Equipment	6,200	6,164	36
Utilities	15,400	15,367	33
Ambulance Service:			
Salaries	249,300	225,805	23,495
Equipment	66,500	66,451	49
Forestry Fire Protection:			
Kentucky State Treasurer	3,450	3,401	49
Office of Public Defender:			
Contribution	3,401		3,401
<u>General Health and Sanitation</u>			
Pest Control	1,000	784	216
Dog Control:			
Salaries	15,400	15,371	29
Medical	1,150	1,109	41
Humane Society	36,900	36,882	18
Animal Food and Supplies	1,000		1,000
Solid Waste Collection:			
Refuse District	25,000		25,000

MARSHALL COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND (Continued)</u>			
<u>Social Services</u>			
County Hospital:			
Health Care	\$ 1,500	\$	\$ 1,500
Physicals	12,000	8,616	3,384
Mental Health Services	518		518
Service to Indigents:			
Contribution	3,000	2,963	37
Senior Citizens Program:			
Contribution	48,100	48,072	28
Services to Children and Youth:			
Contribution	10,000	481	9,519
Other Social Services:			
Exceptional School Salaries	277,900	277,813	87
<u>Recreation and Culture</u>			
Parks:			
Materials and Supplies	20,000	13,445	6,555
Park Trails Grant	20,000		20,000
Other Recreation Programs	51,000	50,979	21
<u>Administration</u>			
Construction - Legislative Building	47,700	47,700	
Surplus Grant - Rescue Squad	20,000	2,040	17,960
Surplus Grant - Draffenville	500,000		500,000
Surplus Grant - Exceptional Center	100,000	100,000	
State Auditors	16,750	16,725	25
County Insurance	161,350	161,344	6
Membership Dues	25,550	25,534	16
Payments to Government Agencies	5,000		5,000

MARSHALL COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>GENERAL FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits:			
County Contributions-			
Social Security	\$ 161,950	\$ 161,901	\$ 49
Retirement	241,550	241,502	48
Health Insurance	461,750	461,707	43
Worker's Compensation	60,000	46,981	13,019
Unemployment Insurance	17,383	11,448	5,935
Total General Fund	<u>\$ 4,304,915</u>	<u>\$ 3,537,085</u>	<u>\$ 767,830</u>

ROAD AND BRIDGE FUND

Roads

Office of Road Supervisor/Engineer:

Salaries-			
Road Supervisor	\$ 62,125	\$ 62,078	\$ 47
Assistant Road Supervisor	60,000	58,804	1,196
Other Salaries	47,000	23,773	23,227
Office Materials and Supplies	10,000	9,063	937
Telephone	5,000	4,689	311
Travel	6,000	3,218	2,782
New Office Equipment	1,000	601	399

Road Maintenance:

Road Labor Salaries	644,050	644,017	33
Materials	53,000	545	52,455
Safety Boots	5,000	4,705	295
Contract Paving	614,300	614,275	25
Equipment Leases	69,800	69,790	10
Bridges, Culverts, Sewers	75,000	58,261	16,739
Health Services (Physicals)	12,550	12,538	12
Utilities	20,000	10,762	9,238
Surveying	10,500	10,500	
Miscellaneous	35,650	35,609	41

MARSHALL COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>ROAD AND BRIDGE FUND</u> (Continued)			
<u>Administration</u>			
Fringe Benefits:			
County Contributions-			
Social Security	\$ 55,700	\$ 54,926	\$ 774
Retirement	64,375	61,542	2,833
Total Road and Bridge Fund	\$ 1,851,050	\$ 1,739,696	\$ 111,354

JAIL FUND

Protection to Persons and Property

Office of Jailer:			
Salaries-			
Jailer	\$ 53,345	\$ 53,321	\$ 24
Jail Personnel	492,489	414,148	78,341
Administrative Personnel	20,697	20,663	34
Food Service Personnel	63,967	44,160	19,807
Overtime Pay	15,000	8,899	6,101
Work Release	15,400	15,396	4
Operations-			
Cleaning Supplies	12,700	12,670	30
Equipment Repair	5,000		5,000
Food	85,000	76,596	8,404
Jail Linens	21,000	15,240	5,760
Maintenance and Repairs	18,450	18,423	27
Office Supplies	5,950	5,921	29
Office Equipment	4,000		4,000
Prisoner Clothing	4,000	1,026	2,974
Pest Control	1,000	924	76
Staff Uniforms	5,000	820	4,180
Staff Training and Travel	4,250	4,235	15
Telephone	3,200	3,193	7
Utilities	70,700	70,685	15
Medical	60,000	48,978	11,022
Washer and Dryer	14,200	14,168	32
Miscellaneous	5,200	5,186	14

MARSHALL COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	<u>Final Budget</u>	<u>Budgeted Expenditures</u>	<u>Under (Over) Budget</u>
<u>JAIL FUND (Continued)</u>			
<u>Protection to Persons and Property (Continued)</u>			
Juvenile Detention:			
Personnel Services-			
Salary-			
Juvenile Officer	\$ 30,513	\$ 30,483	\$ 30
Operations-			
Housing Prisoners - Other Counties	68,650	52,565	16,085
Office Materials and Supplies	500	138	362
Telephone	500	212	288
Travel	4,000	3,969	31
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	77,600		77,600
Fringe Benefits:			
County Contributions-			
Retirement	100,850	100,817	33
Social Security	50,000	38,862	11,138
Total Jail Fund	<u>\$ 1,313,161</u>	<u>\$ 1,061,698</u>	<u>\$ 251,463</u>
LOCAL GOVERNMENT ECONOMIC <u>ASSISTANCE FUND</u>			
Road Maintenance:			
Road Materials	<u>\$ 23,766</u>	<u>\$ 23,000</u>	<u>\$ 766</u>
COMMUNITY DEVELOPMENT <u>BLOCK GRANT FUND</u>			
Capital Projects:			
Exceptional Center Project	<u>\$ 338,500</u>	<u>\$ 77,488</u>	<u>\$ 261,012</u>

MARSHALL COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>OCCUPATIONAL TAX FUND</u>			
<u>General Government</u>			
Office of Tax Administrator:			
Secretary Salary	\$ 35,300	\$ 20,953	\$ 14,347
Computer Software Development	500	426	74
Postage and Office Supplies	2,500	676	1,824
Bond	1,400	1,395	5
Printing	2,500	847	1,653
Travel	1,000		1,000
Computer Equipment	4,000		4,000
<u>General Health and Sanitation</u>			
Refuse District:			
Landfill Operations	400,000	400,000	
Small Parks	20,900	20,821	79
<u>Roads</u>			
Road Maintenance:			
Contract Paving	600,000	600,000	
Gas and Oil	81,200	63,014	18,186
Road Materials	600,000	284,215	315,785
Pipe, Sewer, and Bridges	150,000	97,851	52,149
Parts and Repairs	228,800	228,727	73
Equipment	442,950	442,934	16
Miscellaneous	1,000	648	352
<u>Other County Liabilities</u>			
Industrial Revenue Bond:			
Contingent Liability	75,000	24,665	50,335
<u>Capital Projects</u>			
Buildings and Construction:			
Exceptional Center	41,650	41,611	39
County Parks	565,500	565,407	93

MARSHALL COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>OCCUPATIONAL TAX FUND (Continued)</u>			
<u>Administration</u>			
Contingent Appropriations:			
Reserve for Budget Transfers	\$ 264,750	\$	\$ 264,750
Fringe Benefits:			
County Contributions-			
Retirement	6,050	6,005	45
Social Security	5,000	4,962	38
Total Occupational Tax Fund	<u>\$ 3,530,000</u>	<u>\$ 2,805,157</u>	<u>\$ 724,843</u>

EMERGENCY 911 FUND

Protection to Persons and Property

Salaries	\$ 177,500	\$ 177,457	\$ 43
Advertising	500		500
Computer Development	20,000	2,589	17,411
Office Supplies	3,000	1,256	1,744
Uniforms	2,500	511	1,989
Postage	500		500
Dues and Subscriptions	500		500
Telephone	65,000	61,102	3,898
Travel and Training	4,000	2,655	1,345
Maintenance	20,000	9,650	10,350
Communication Equipment	35,000		35,000
Office Equipment	4,000		4,000
Miscellaneous	1,000		1,000

Administration

Contingent Appropriations:			
Reserve for Budget Transfers	46,700		46,700

MARSHALL COUNTY
 COMPARATIVE SCHEDULE OF
 FINAL BUDGET AND BUDGETED EXPENDITURES
 Fiscal Year Ended June 30, 1999
 (Continued)

	Final Budget	Budgeted Expenditures	Under (Over) Budget
<u>EMERGENCY 911 FUND</u> (Continued)			
<u>Administration</u> (Continued)			
Fringe Benefits:			
County Contributions-			
Retirement	\$ 15,300	\$ 14,294	\$ 1,006
Social Security	13,500	12,252	1,248
	<u> </u>	<u> </u>	<u> </u>
Total Emergency 911 Fund	<u>\$ 409,000</u>	<u>\$ 281,766</u>	<u>\$ 127,234</u>
<u>BUILDING INSPECTION FUND</u>			
Inspection Fees	<u>\$ 20,500</u>	<u>\$ 16,281</u>	<u>\$ 4,219</u>
TOTAL BUDGET - ALL FUNDS	<u><u>\$ 11,790,892</u></u>	<u><u>\$ 9,542,171</u></u>	<u><u>\$ 2,248,721</u></u>

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SCHEDULE OF OTHER EXPENDITURES

MARSHALL COUNTY
SCHEDULE OF OTHER EXPENDITURES

Fiscal Year Ended June 30, 1999

<u>Expenditure Items</u>	<u>Totals (Memorandum Only)</u>	<u>Occupational Tax Administrator Fund</u>	<u>Ambulance Fund</u>
Refunds	\$ 44,694	\$ 44,694	\$
Supplies	216		216
Donations	<u>2,684</u>	<u></u>	<u>2,684</u>
Totals	<u>\$ 47,594</u>	<u>\$ 44,694</u>	<u>\$ 2,900</u>

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER
FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



Edward B. Hatchett, Jr.
Auditor of Public Accounts

Honorable Mike Miller, Marshall County Judge/Executive
Members of the Marshall County Fiscal Court

Report On Compliance And On Internal Control
Over Financial Reporting Based On An Audit Of Financial
Statements Performed In Accordance With Government Auditing Standards

We have audited the financial statements of Marshall County, Kentucky, as of and for the year ended June 30, 1999, and have issued our report thereon dated January 10, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Marshall County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Marshall County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Honorable Mike Miller, Marshall County Judge/Executive
Members of the Marshall County Fiscal Court
Report On Compliance And On Internal Control Over Financial Reporting Based On An
Audit Of Financial Statements Performed In Accordance With Government Auditing Standards
(Continued)

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than the specified party. However, this report, upon release by the Auditor of Public Accounts, is a matter of public record and its distribution is not limited.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Ed Hatchett", with a stylized flourish at the end.

Edward B. Hatchett, Jr.
Auditor of Public Accounts

Audit fieldwork completed -
January 10, 2000

**CERTIFICATION OF COMPLIANCE – LOCAL
GOVERNMENT ECONOMIC ASSISTANCE PROGRAM**

MARSHALL COUNTY FISCAL COURT

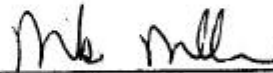
Fiscal Year Ended June 30, 1999

CERTIFICATION OF COMPLIANCE

LOCAL GOVERNMENT ECONOMIC ASSISTANCE PROGRAMS

MARSHALL COUNTY FISCAL COURT

The Marshall County Fiscal Court hereby certifies that assistance received from the Local Government Economic Assistance Program was expended for the purpose intended as dictated by the applicable Kentucky Revised Statutes.



Name

County Judge/Executive



Name

County Treasurer

AUDIT REPORT OF THE
MARSHALL COUNTY REFUSE DISPOSAL DISTRICT

Fiscal Year Ended June 30, 1999

